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EGYPT-USSR

Foreign Minister Fahmi announced at a cabinet meeting yesterday that he will go to Moscow "soon" to arrange a summit meeting between President Sadat and Soviet leaders. The Egyptian press has been speculating for some time that a summit is in the works, but this is the first official acknowledgement that the Egyptians are attempting to arrange one. The timing has been left open; even the date of Fahmi's trip has not been announced.

The Egyptians probably timed the official announcement of the trip to take account of Soviet sensibilities. Coming on the eve of President Nixon's visit to Cairo, the announcement is intended as an earnest of Sadat's expressed desire to maintain "balanced" ties with the two superpowers.

Sadat has made it clear in private that he is weary of going to Moscow and expects the Soviets to come to him for the next round of summity. Cairo will consider that it has made the proper gesture to Moscow by dispatching Fahmi to the Soviet capital and that the next move is up to the USSR.

Moscow may agree to a high-level meeting in Cairo. The Soviets would probably like to try to patch things up before the Geneva peace conference reconvenes. The most likely candidate for such a visit would be President Podgorny or Premier Kosygin, both of whom have been in Cairo before.

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INTERNATIONAL FINANCIAL DEVELOPMENTS

Because of economic problems and severe balance-of-payments difficulties, the EC has indicated a desire to maintain maximum flexibility as it approaches the Committee of Twenty discussions to be held this week in Washington.

Although community members agreed on the broad outlines of the proposed monetary reform package, they would not agree to formally amending the International Monetary Fund articles. The one emerging consensus is that central banks should employ a market-related value for gold transactions.

Last week the EC finance ministers failed to reach agreement on all but the broadest aspects of monetary reform. They agreed that there should be some interim rules for currency floating, but they did not accept some points of the guidelines proposed by the International Monetary Fund. They also would not agree to an amendment which would legalize floating exchange rates.

The payments difficulties Rome is experiencing have added urgency to the EC's desire to resolve the gold issue. German officials, including Chancellor Schmidt, are now pushing publicly to allow central banks to use official holdings of gold at market-related prices for official interbank transactions. The EC is far from agreement, however, on specific points of a new settlement scheme. The community will test US official opinion on the matter before discussing it further within the EC.

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FOR THE RECORD

USSR: The US defense attaché in Moscow reports that the Soviets launched what probably was a V-class nuclear-powered attack submarine on June 7 from the Admiralty shipyard in Leningrad. This would be the 15th V-class unit to be launched. These submarines usually operate in the Mediterranean and North Atlantic. They are the Soviets' fastest operational submarines, having a maximum submerged speed of about 32 knots.

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USSR-France: Two Soviet warships--a cruiser and a destroyer--are scheduled to make a five-day port call at Cherbourg late next week. The destroyer, a Kotlin-class guided-missile ship, is returning to the Baltic following a two-month cruise to Guinea, and the Sverdlov cruiser recently spent a short time in the Mediterranean. The visit is being treated in a low key by the French government. Soviet warships last called at Cherbourg in 1970. The only other NATO countries that Soviet warships have visited in recent years are Italy and Denmark.

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Nigeria: Lagos recently signed an agreement with London for 55 Scorpion light tanks and 55 Fox armored cars. This is the first purchase under a program to modernize black Africa's largest military force.

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General Gowon recently returned from Moscow, but there are no reports that he signed agreements for the purchase of any equipment. Nigeria's increased oil revenues permit the government to purchase these expensive arms without damaging national development plans.

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